In the Supreme Court of the United States

OCTOBER TERM, 1968

No. 1078

CELANESE CORPORATION, PETITIONER

v.

EDWARD J. BRENNER, COMMISSIONER OF PATENTS

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE RESPONDENT IN OPPOSITION

OPINIONS BELOW

Neither the decision of the Commissioner of Patents (Pet. App. 1a-2a) nor the oral ruling of the district court (Pet. App. 3a) is reported. The opinion of the court of appeals (Pet. App. 4a-9a) has not yet been reported.

JURISDICTION

The judgment of the court of appeals was entered on November 25, 1968. The petition for a writ of

certiorari was filed on February 21, 1969. The jurisdiction of this Court is invoked under 28 U.S.C. 1254 (1).

QUESTION PRESENTED

Whether, following an interference proceeding in which a patent reissue applicant prevails over a patentee before the Patent Board of Interferences, the Commissioner may grant the reissue application while a civil action challenging the Board's determination is pending.

STATUTES INVOLVED

35 U.S.C. 135 provides:

> Interferences.
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> (a) Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.

(b) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted.

* * * *

35 U.S.C. 146 provides:

Civil Action in Case of Interference.

Any party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided. In such suits the record in the Patent Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent Office when admitted shall have the same effect as if originally taken and produced in the suit.

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STATEMENT

E. I. duPont de Nemours and Company (duPont) owns a patent on a process for coating a moving surface with a plastic film; its patent was issued to one Owens on December 18, 1962. Celanese Corporation,

petitioner here, is the owner of a patent on a device for similar coating; its patent was originally issued to one Vaccaro on March 26, 1963. When Celanese discovered that the disclosures originally made by Vaccaro in his 1956 application would support an additional claim for a transporting *process* similar to the one already contained in the duPont (Owens) patent, which had been applied for in 1960, Celanese timely filed a reissue application pursuant to 35 U.S.C. 251 for a patent including that claim.

Noting an interference between Celanese's reissue application and duPont's patent, the Commissioner of Patents, in October 1964, declared an interference within the meaning of 35 U.S.C. 135. A proceeding ensued before the Board of Patent Interferences, which found that Celanese (Vaccaro) had been the first to make disclosures supporting the disputed claim and thus adjudged Celanese to have the rights of the prior inventor.

DuPont then filed an action in United States District Court for the Southern District of New York, seeking *de novo* review of the adverse determination, as authorized by 35 U.S.C. 146.[1] It is likely, as petitioner states (Pet. 5), that final determination of duPont's action, begun in February 1968, is "years distant." That action, however, is not directly involved in the present case.

While the proceedings in New York were pending, petitioner Celanese, relying on the Board's decision,

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[1] A party dissatisfied with a ruling on an interference may alternatively appeal, on the administrative record, to the Court of Customs and Patent Appeals, 35 U.S.C. 141.

petitioned the Commissioner of Patents to return its reissue application to the appropriate examining group for immediate reissuance of a patent including the disputed claim. In support of its petition, Celanese pointed out that 35 U.S.C. 135 provides that, after completion of an interference proceeding, "the Commissioner may issue a patent to the applicant who is adjudged the prior inventor." The Commissioner denied the petition (Pet. App. 1a), concluding that the decision in *Monsanto Co.* v. *Kamp*, 360 F. 2d 499 (C.A.D.C.), left him no discretion to issue a patent in any situation where an applicant prevails over a *patentee* in an interference proceeding.

On April 12, 1968, Celanese filed the present suit in the United States District Court for the District of Columbia, seeking a declaration that the Commissioner does possess authority to reissue a patent in such a situation. The district court, ruling that under *Monsanto* two patents on the same claim cannot be outstanding at the same time, dismissed the complaint (Pet. App. 3a). The court of appeals affirmed (Pet. App. 4a).

ARGUMENT

1. Prior to the *Monsanto* decision in 1965, the Commissioner had taken the position that he was empowered, under 35 U.S.C. 135, to issue a patent to the winning party in any interference proceeding while the question of priority was being litigated further in a Section 146 action. In *Monaco* v. *Watson*, 270 F. 2d 335 (C.A.D.C.), certiorari denied, 361 U.S.

924, the court of appeals had sustained the Commissioner's position that, after decision in an interference proceeding involving *an applicant against an applicant*, the Commissioner could issue a patent to the winning applicant while district court proceedings were pending. In *Monsanto*, however, the same court distinguished *Monaco*, explaining that where the losing party in the interference proceeding already holds a patent on the disputed claim, the Commissioner is precluded from issuing a second patent to the winning party in the interference proceedings (360 F. 2d 499, 501). The distinction emphasized by the court was that in *Monaco* only one patent would be outstanding pending completion of the district court proceedings, whereas in *Monsanto* issuance of the patent to the victor in the interference proceeding would result in the anomaly of two outstanding patents on the same art during the perhaps lengthy judicial review proceedings. As explained in the opinion below, the court had concluded that Congress "did not intend the purposeful issuance of two patents for the same art" (Pet. App. 7a).

2. The Commissioner is of the view that there are countervailing considerations that might justify issuance of a patent in the circumstances of the present case. First, Section 135 does not impose any express limitation on the Commissioner's power to issue a patent "to the applicant who is adjudged the prior inventor" that excludes situations in which the losing party is a patentee seeking judicial review. Second, there need not always be the "further seventeen year delay" before the public may exploit the discovery

that the court in *Monsanto* considered would result from the issuance of a second patent on the same art; in the case of reissue patents, as in the present case, the second patent would run only for the unexpired portion of the original (Celanese) patent. See 35 U.S.C. 251. Third, in light of the inherent power of courts to stay their proceedings and fashion equitable relief, a person sued for infringement by both patentees, or a licensee sued by one of them, could probably secure interim relief pending final determination of priority. Fourth, the traditional presumption of validity of a patent—duPont's in this case—is sharply eroded by a subsequent finding that another claim—that of Celanese—has priority, a determination which itself carries a strong presumption of correctness. See *Morgan* v. *Daniels*, 153 U.S. 120, 125.

3. Nevertheless, we do not believe that certiorari should be granted. The dearth of litigated cases bearing on the point, all of which have arisen in the District of Columbia Circuit, indicates that the question is not of recurrent significance. The relevant statistics bear this out. Over the past five years there have been approximately 1370 interferences declared by the Patent Office between a patent and an application (including 52 where, as here, the interference was between a patent and a reissue application). About half of these declared interferences were terminated without a determination of priority. Of those contested through decision in the Patent Office, some were of course appealed to the Court of Customs and Patent Appeals; in such circumstances, the decision in *In re Allen*, 115 F. 2d 936 (C.C.P.A.), has operated to bar

the Commissioner from issuing a patent to the successful applicant.[2] And the Commissioner has advised us that in the past five years there have been no more than ten instances (including the Celanese request) where an applicant prevailing over an existing patentee in the administrative proceeding has sought issuance of a patent pending review of the decision of the Patent Office pursuant to Section 146.

In sum, the issue raised here has been responsibly and carefully passed upon by the Court of Appeals for the District of Columbia Circuit, and these decisions cannot be said to be inconsistent or plainly wrong; the question has not been litigated in any other circuit; and the result reached below is consistent with

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[2] In *Allen*, the Court of Customs and Patent Appeals predicated its decision on purely procedural grounds, ruling that once a losing party in patent board proceedings has filed a notice of *appeal*, there was no jurisdiction for any further administrative action until final decision had been rendered by the court. Although the case was not decided in the particular context of authority to issue patents (it involved the Patent Board's power to hold a rehearing) the Commissioner has interpreted the broad language therein to prohibit the issuance of a patent to the interference winner in *all* cases where review has been sought in that court, even in applicant-versus-applicant situations where no other patent is already outstanding.

Recently, however, contrary to *Allen*, the same court has twice decided that, despite the filing of a notice of appeal, the Patent Office nevertheless retains jurisdiction to do a purely ministerial act. *Application of Grier*, 342 F. 2d 120 (C.C.P.A.); *Loshbough* v. *Allen*, 359 F. 2d 910 (C.C.P.A.). Since reissuance of a patent in the circumstances presented by the instant case might be said to be a ministerial act, see *Grant* v. *Raymond*, 6 Pet. 218, 246, *Allen's* applicability to cases like the present one may no longer be clear.

that presently obtaining with respect to review in the Court of Customs and Patent Appeals under the *Allen* case, *supra*. Moreover, the court below suggested that petitioner may secure sufficient protection for its interests by seeking protective orders from the district court where the Section 146 review action is pending. Although the principles of equitable relief *pendente lite* may "never [have] been applied to a patent context" (Pet. 17), we believe those principles are sufficiently established in related contexts to afford effective protection.

CONCLUSION

It is therefore respectfully submitted that the petition for a writ of certiorari should be denied.

ERWIN N. GRISWOLD,
Solicitor General.

WILLIAM D. RUCKELSHAUS,
Assistant Attorney General.

MORTON HOLLANDER,
ROBERT M. HEIER,
Attorneys.

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